

Message Text

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67

ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 FEA-02 INT-08 SCI-06 CIAE-00

DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04

RSC-01 PRS-01 SPC-03 SS-20 USIA-15 AID-20 COME-00

EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 OPR-02 NIC-01 DRC-01 /203 W

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R 241500Z JAN 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 5826

INFO AMEMBASSY ABIDJAN

AMEMBASSY LAGOS

AMEMBASSY LOME

AMEMBASSY NIAMEY

AMEMBASSY OUAGADOUGOU

AMEMBASSY PARIS

C O N F I D E N T I A L COTONOU 0122

E.O. 11652: GDS

TAGS: ENRG, DM

SUBJECT: GASOLINE CRISIS IN DAHOMEY

REF: (A) COTONOU 0041

(B) COTONOU 0095

1. NEW PETROLEUM PRODUCT PRICES WERE ANNOUNCED "DAHO-EXPRESS" ON JANUARY 22, TO TAKE EFFECT IMMEDIATELY. INCREASES WERE LOWER THAN ORIGINALLY EXPECTED (REFTEL B) AS COUNCIL OF MINISTERS TRIMMED RECOMMENDATIONS MADE BY COMMISSION OF CIVIL SERVANTS. PRICE CHANGES AVERAGE 8 PERCENT, RAISING HIGH-OCTANE GASOLINE TO 53.60 CFA PER LITER.

2. COMMISSION ORIGINALLY PROPOSED NO CHANGE IN KEROSENE PRICE AND 14 PERCENT AVERAGE INCREASE FOR OTHER PETROLEUM PRODUCTS.

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LOSS SUFFERED BY OIL SUPPLIERS ON KEROSENE WAS TO HAVE BEEN

RECOUPED ON OTHER ITEMS. HOWEVER, MRGD FINAL DECISION CHANGED THIS TO GENERAL 8 PERCENT PRICE HIKE FOR ALL PRODUCTS.

3. MOBIL OIL DIRECTOR TOAFODE CODO TOLD US JANUARY 23 OIL COMPANIES NATURALLY SOMEWHAT DISAPPOINTED WITH FINAL DECISION. HE CLAIMED SMALLER PROFIT MARGIN ON KEROSENE WILL NOT BE COMPENSATED BY OTHER PRODUCTS. MRGD ALSO HALVED PROFIT MARGIN ON TRANSPORT COSTS THAT OIL COMPANIES PASS ON TO CONSUMERS. ORIGINAL COMMISSION RECOMMENDATIONS HAD BEEN MUCH MORE FAVORABLE.

4. CODO FELT SUPPLY ASSURED FOR ENTIRE MONTH FEBRUARY WITH ARRIVAL TONIGHT OF TANKER. FUTURE SUPPLIES DEPEND ON LOCAL OIL COMPANIES' ABILITY TO PURCHASE OIL ON WORLD MARKET AND RESELL IT AT NEW PRICES WITHOUT TAKING LOSS. CODO FELT MRGD MAY CONSIDER FUTURE PRICE INCREASES IF WORLD PRICE SITUATION WORSENS. HOWEVER, MRGD EXPRESSED DESIRE TO HOLD TO NEW PRICES AT LEAST UNTIL MARCH.
ANDERSON

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NNN

Message Attributes

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Draft Date: 24 JAN 1974
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Disposition Approved on Date:
Disposition Authority: kelleyw0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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30 JUN 2005

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